

**MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY**

**OPEN MEETING MINUTES**

**January 23, 2020**

**The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference at Meridian Management Group, Inc., 826 E. Baltimore Street, Baltimore, MD 21202.**

**The following were in attendance at this meeting:**

<b>Authority Members</b>	<b>MMG Staff</b>
<b>Les Hall</b>	<b>Randy Croxton</b>
<b>Clemis Kaikis</b>	<b>Anthony Williams</b>
<b>Laura Pasternak</b>	<b>Mark Harrison</b>
<b>Mara Sierocinski</b>	<b>Tim Smoot</b>
<b>Kenny Oreagba</b>	<b>Stanley Tucker</b>
	<b>Robin Harris</b>

**Attorney General's Office**  
Barbara Kountz, Deputy Counsel

**AGENDA**

**MINUTES**

**Deferred to revamp format to comply with the Open Meetings Act Requirements**

November 26, 2019

December 10, 2019

**EXTENSION**

**CRW and Associates, LLC – Withdrawn. The financing will expire.**

**J. Marshall & Associates, LLC**

**New City Construction, LLC**

**Physical and Sports Rehab, Inc.**

**Visionary Women's Health, LLC**

**RENEWAL**

**Flight Fab, Inc.**

**MODIFICATION**

**Nepenthe Homebrew, LLC**

**NEW REQUEST**

**Transdermal Specialties Global, Inc.**

**REPORT**

**MidPoint Technology Group, LLC**

The closed session of the December 10, 2019, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Gina Ramsey, and Chuck Martin. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the following:

1. A-Connection, Inc. – Renew financing of EPIP line of credit to December 10, 2020; reduce availability to \$150,000 from \$200,000
2. Lyles Cleaning Services, LLC – Renew contract financing line of credit to December 10, 2020; increase maximum of line of credit to \$150,000 from \$100,000
3. Bloosurf, LLC – 80% guaranty of \$875,000 term loan from 1800 Bank
4. Unico Government Solutions, LLC - \$75,000 contract financing line of credit;

All of the requests were unanimously approved.

#### **EXTENSION**

**Presenter:** Anthony Williams

**Applicant:** Visionary Women's Health, LLC

**Loan Amount:** \$100,000 EPIP Term Loan

**Original Approval Date:** October 10, 2019

**Request:** An extension of the approval date to February 27, 2020, was requested.

**Discussion:** There was limited discussion regarding the expected loan closing date.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

#### **EXTENSION**

**Presenter:** Anthony Williams

**Applicant:** Physical and Sports Rehab, Inc.

**Loan Amount:** \$100,000 Line of Credit (50% Guaranty)

**Original Approval Date:** June 28, 2018

**Request:** Extension of the maturity date to March 26, 2020, was requested.

**Discussion:** There was limited discussion regarding any red flags that may deter the preparation of the renewal request being presented for approval.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

### **EXTENSION**

**Presenter:** Timothy Smoot

**Applicant:** J. Marshall & Associates, LLC

**Loan Amount:** \$100,000 EPIP Line of Credit

**Original Approval Date:** November 21, 2017

**Request:** An extension of the maturity date to March 26, 2020, was requested.

**Discussion:** There was limited discussion regarding the borrower's use of and performance on the facility; and the owner's relationship with the seller.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

### **EXTENSION**

**Presenter:** Timothy Smoot

**Applicant:** New City Construction, LLC

**Loan Amount:** \$75,000 Guaranty Fund Line of Credit (80% Guaranty)

**Original Approval Date:** September 27, 2018

**Request:** An extension of the maturity date to March 26, 2020, was requested.

**Discussion:** There was limited discussion regarding the status of the MSBDFA term loan.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

## **REPORT**

**Presenter:** Randy Croxton

**Applicant:** MidPoint Technology Group, LLC

**Loan Amount:** \$700,000 Surety Bond (Payment & Performance)

**Original Approval Date:** November 26, 2019

**Request:** Approval to increase the bond amount from \$700,000 to \$709,919 was requested.

**Action Taken:** The request was approved on behalf of the Authority by the Chairman, Les Hall, on December 30, 2019.

**Presenter:** Stanley Tucker

**Discussion:** MMG will be working in collaboration with the Department of Commerce to make requests to the Maryland General Assembly during the upcoming budget hearings in 2020. The current budget for MSBDFA is \$5.5 million. MMG is planning to have some of the MSBDFA clients provide testimonials to the legislators regarding the funding they received and how it has assisted their business.

**Action Taken:** No action required.

**Presenter:** Les Hall, Chairman

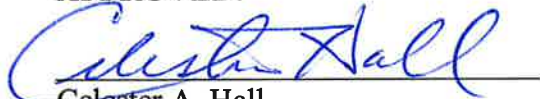
**Discussion:** The Department of Commerce recently submitted press releases for the settled transactions over this past quarter.

**Action Taken:** The Authority members requested the Chairman add them to the distribution list and send them the most recent submission.

The Meeting then closed at 1:30 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article,

Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

**APPROVED:**



Celester A. Hall

**Chairman**

**DATE:**

3-10-20

**MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY**

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING  
UNDER THE OPEN MEETINGS ACT  
(General Provisions Article § 3-305)**

**1. Recorded vote to close the meeting:**

Date: January 23, 2020

Time: 1:27 pm – 2:39 pm

Location: Meridian Management Group, Inc., 826 East Baltimore Street, Baltimore, MD 21202

Motion to close meeting made by: Laura Pasternak; Seconded by Mara Sierocinski

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[ x ]	[ ]	[ ]	[ ]
Clemis Kaikis, designee of Comptroller	[ x ]	[ ]	[ ]	[ ]
Charles Martin	[ ]	[ ]	[ ]	[ x ]
Kehinde Oreagba	[ x ]	[ ]	[ ]	[ ]
Laura Pasternak	[ x ]	[ ]	[ ]	[ ]
Sharon Pinder	[ ]	[ ]	[ ]	[ x ]
Gina Ramsey	[ ]	[ ]	[ ]	[ x ]
Mara Sierocinski	[ x ]	[ ]	[ ]	[ ]

**2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:**

\_\_\_\_ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

\_\_\_ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

\_\_\_ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

\_\_\_ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

\_\_\_ (5) To consider the investment of public funds;

\_\_\_ (6) To consider the marketing of public securities;

X (7) To consult with counsel to obtain legal advice on a legal matter;

\_\_\_ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

\_\_\_ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

\_\_\_ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

\_\_\_ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

\_\_\_ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

X (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

\_\_\_ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

**3. Disclosure of the topics to be discussed, for each citation checked above:**

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.



Celester Hall  
Chair